

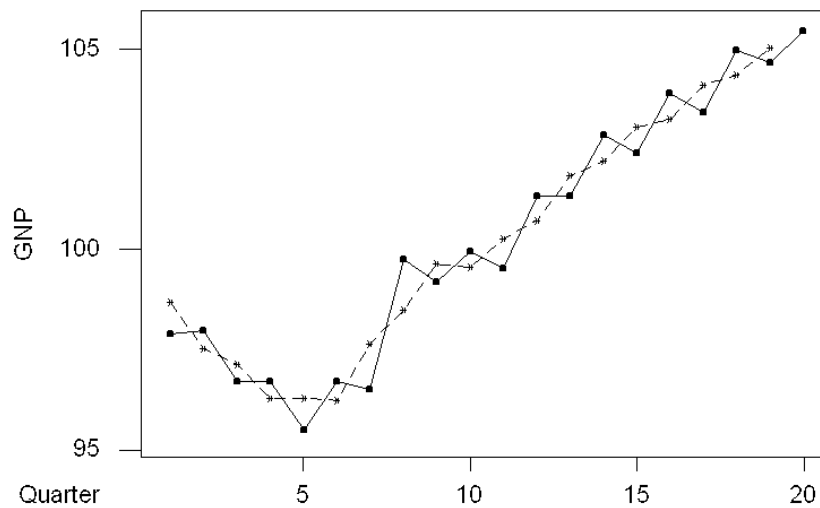
MOBILE MARKET WATCH



Mitchell College of Business
Center for Real Estate Studies



Mobile GNP Indicator 2003 Q1-2007 Q4



0--0 GNP Indicator 2005 base
x--x 3 quarter trend

2007 Quarter 4 GNP Indicator = 105.49 +1.54%

2006 Quarter 4 GNP Indicator = 103.93

2008 Quarter 4 Trend = 105.06

Mitchell College of Business Center for Real Estate Studies
Spring, 2008

This report and other data can be found on the Center website at <http://cres.southalabama.edu>.

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Mobile MSA Gross National Product (GNP) Indicator

2007 Quarter 4

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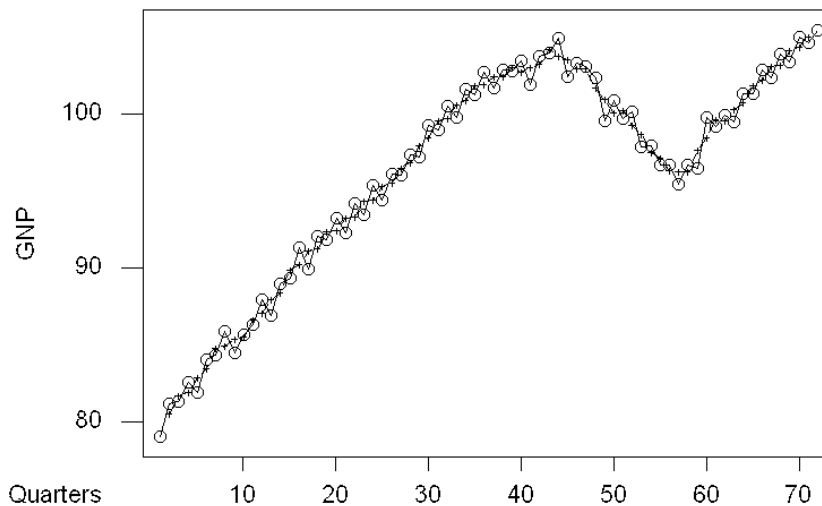
Spring, 2008

Don Epley, Director, Mitchell College of Business Center for Real Estate Studies

“Data you can use.”

“Education you can use”

Mobile GNP Indicator
1990-2007 Quarter 4



0-0 GNP Indicator; x-x 3-quarter average 2005 base

The *Mobile GNP Indicator* estimates movement in the local economy comparable to the Gross National Product (GNP) for the national economy. It is constructed to estimate real economic growth by following changes in real income of the local workforce.

Employment times personal income received produces family income available to spend on local goods and services causing “economic activity.” Personal income estimates are a large part of the Gross National Product figures produced by the U.S. Commerce Department to measure economic growth. GNP is constructed to measure changes in the Mobile economy relative to the 2005 base year.

Mobile Growth

Relative changes between two periods are interpreted as a percent increase (decrease) in real economic growth. The most recent actual index figures are,

| | GNP Indicator | % change 1 year ago | % change 5 years ago | % change 10 years ago | |
|---------------|--------------------------|--------------------------------|---------------------------------|----------------------------------|-------------------|
| 2007Q4 | 105.49 | +1.56% | +5.35% | +5.0% | base: 2005 |
| 2006Q4 | 103.93 | | | | |
| 2002Q4 | 100.14 | | | | |
| 1997Q4 | 100.49 | | | | |

The real growth in actual spending power in 2007Q4 increased 1.56% from the same quarter in the previous year, increased 5.35% over the past 5 years, and increased 5.0% over the past 10 years, in constant 2005 dollars. Since 1997Q1, the highest level of economic activity in the Mobile economy occurred in 2007Q4 with an index of 105.49

While it is more meaningful to examine growth trends, monthly comparisons do give direction. The local economy increased from 104.68 in 2007Q3 to a level of 105.49 in 2007Q4, or +0.81%. **Concurrently, the quarterly average in 2007Q4 of 105.49 reached the highest level since 1990. The trend also has reached a new high of 105.06 in the current quarter.**

Several categories such as Total Non-Farm; Trade, Transportation, and Utilities; Financial Activities; Education and Health Services; and Government achieved their highest levels in 2007. Manufacturing increased to its highest level since 2002Q4. The overall general level of increasing employment is the cause of the continued increase in the GNP Indicator.

History of Economic Growth

From 1990Q1-2007Q4, total economic growth in constant 2005 dollars was +26.5% for 72 quarters, or +.37% per quarter. At this quarterly average rate, the local economy is growing at an annual average of +1.47 percent in 2005 dollars.

Projection

The 2007Q4-2008Q1 projection shows that the economy will perform at a significantly higher level driven primarily by the general growth rate of the Mobile economy. The exact numbers are projected to be the following:

| | | | |
|-----------------------------|---------------|--------------|--------------|
| Mobile GNP Indicator | 2008Q1 | 106.1 | +1.4% |
|-----------------------------|---------------|--------------|--------------|

A Special Note on Accuracy: A frequent question is, “How accurate are the projections?” The projection for this quarter was 106, and the actual number equaled 105.49, a difference of +0.61 percent.

Center for Real Estate Studies

The Center was created by the Mitchell College of Business to expand the quantity and quality of real estate studies and education as part of the USA mission to better serve its students. The goal is to offer practical real estate analysis and applied education to help the students and citizens understand local markets, and to assist the real estate professional in daily business.

Further Information

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Disclaimer

Every effort has been made to assure the accuracy of the numbers. The results are not guaranteed or warranted. These opinions represent the author only.